

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA	:	
	:	CONSENT PRELIMINARY ORDER OF
	:	<u>FORFEITURE AS TO SPECIFIC</u>
-v.-	:	<u>PROPERTY /MONEY JUDGMENT</u>
	:	
SCOTT HUGHES,	:	S1 20 Cr. 398 (GBD)
	:	
Defendant.	:	
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WHEREAS, on August 18, 2020, SCOTT HUGHES (the “Defendant”), among others, was charged in a three-count Superseding Indictment, S1 20 Cr. 398 (GBD) (“the “Indictment”), with conspiracy to commit bank fraud, in violation of Title 18, United States Code, Section 1344 (Count Two); and money laundering, in violation of Title 18, United States Code, Sections 1956(a) (1) (A) (i) and 1956(a) (1) (B) (i) (Count Three);

WHEREAS, the Indictment included a forfeiture allegation as to Count Three, seeking forfeiture to the United States, pursuant to Title 18, United States Code, Section 982(a) (1), of any and all property, real or personal, involved in the offense alleged in Count Three of this Indictment, and any property traceable to such property, and including, *inter alia*, the following specific property:

- a) Any and all funds in account number ending in -6471 held at J.P. Morgan Securities in the name of Scott D. Hughes, and any and all funds traceable thereto;
- b) Any and all funds in account number ending in -9876 held at J.P. Morgan Securities in the name of Scott D. Hughes, and any and all funds traceable thereto;

- c) Any and all funds in account number ending in -4168 held at American Express in the name of Scott D. Hughes, and any and all funds traceable thereto;
- d) Any and all contents of Safe Deposit Box 117 in the name of Scott D. Hughes at Chase Bank branch located at Newport Center and Fashion Island and associated with account number ending in -4888;
- e) Any and all funds in account number ending in -7048 held at Bank of America in the name of Scott D. Hughes, A Professional Law Corp, and any and all funds traceable thereto;
- f) Any and all funds in account number ending in -1025 held at Bank of America in the name of Scott D. Hughes, and any and all funds traceable thereto;
- g) Any and all funds in attorney trust account number ending in -6939 held at Bank of America in the name of Scott D. Hughes, A Professional Law Corp, and any and all funds traceable thereto; and
- h) Any and all funds in an account held at Goldman Sachs in the name of Scott Hughes, and any and all funds traceable thereto;

WHEREAS, on or about March 1, 2023, the Defendant pled guilty to Count Three of the Indictment, pursuant to a plea agreement with the Government, wherein the Defendant admitted the forfeiture allegation with respect to Count Three of the Indictment and agreed to forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(1)(C), a sum of money equal to \$18,147,122 in United States currency, representing the amount of property involved in the commission of the offense charged in Count Three of the Indictment;

WHEREAS, the Defendant further agrees to the forfeiture of all of his right, title, and interest in the following:

- a) Any and all funds in account number 832-26471 held at J.P. Morgan Securities in the name of Scott D. Hughes;

- b) Any and all funds in account number 835-19876 held at J.P. Morgan Securities in the name of Scott D. Hughes;
- c) Any and all funds in account number ending in 320013184168 held at American Express in the name of Scott. D. Hughes;
- d) Any and all contents of Safe Deposit Box 117 in the name of Scott D. Hughes at Chase Bank branch located at Newport Center and Fashion Island and associated with account number 10000001064888;
- e) Any and all funds in account number 3251-2330-7048 held at Bank of America in the name of Scott D. Hughes, a Professional Law Corp;
- f) Any and all funds in account number 3251-3929-1025 held at Bank of American in the name of Scott D. Hughes;
- g) Any and all funds in account number 300007822174 held at Goldman Sachs in the name of Scott Hughes; and
- h) Any and all funds in an account number 5478f5ee278b5ed913000001 held at Coinbase in the name of Scott Hughes, including cryptocurrency.

((a) through (h) collectively the “Specific Property”).

WHEREAS, the Defendant consents to the entry of a money judgment in the amount of \$18,147,122 in United States currency, representing the property involved in the commission of the offense charged in Count Three of the Indictment;

WHEREAS, the Defendant further consents to the forfeiture of all of his right, title, and interest in the Specific Property, as property involved in the offense charged in Count Three of the Indictment;

WHEREAS, the Defendant admits that, as a result of acts and/or omissions of the Defendant, the property involved in the offense charged in Count Three of the Indictment cannot be located upon the exercise of due diligence, with the exception of the Specific Property; and

WHEREAS, pursuant to Title 21, United States Code, Section 853(g), and Rules

32.2(b)(3), 32.2(b)(6), and 32.2(c) of the Federal Rules of Criminal Procedure, the Government is now entitled, pending any assertion of third-party claims, to reduce the Specific Property to its possession and to notify any person who reasonably appears to be a potential claimant of their interest therein;

IT IS HEREBY STIPULATED AND AGREED, by and between the United States of America, by its attorney Damian Williams, United States Attorney, Assistant United States Attorneys Kiersten A. Fletcher, Cecilia E. Vogel, and Samuel Raymond, and the Defendant SCOTT HUGHES, and his counsel, Michael Hueston, Esq. and Gilbert Bayonne, Esq., that:

1. As a result of the offense charged in Count Three of the Indictment, to which the Defendant pled guilty, a money judgment in the amount of \$18,147,122 in United States currency (the "Money Judgment"), representing the property involved in the offense charged in Count Three of the Indictment, shall be entered against the Defendant.

2. As a result of the offense charged in Count Three of the Indictment, to which the Defendant pled guilty, all of the Defendant's right, title, and interest in the aforementioned Specific Property is hereby forfeited to the United States for disposition in accordance with the law, subject to the provisions of Title 21, United States Code, Section 853.

3. Pursuant to Rule 32.2(b)(4) of the Federal Rules of Criminal Procedure, this Consent Preliminary Order of Forfeiture as to Specific Property /Money Judgment is final as to the Defendant, SCOTT D. HUGHES, and shall be deemed part of the sentence of the Defendant, and shall be included in the judgment of conviction therewith.

4. All payments on the outstanding money judgment shall be made by postal money order, bank or certified check, made payable, in this instance, the United States Customs

and Border Protection, and delivered by mail to the United States Attorney's Office, Southern District of New York, Attn: Money Laundering and Transnational Criminal Enterprises Unit, One St. Andrew's Plaza, New York, New York 10007 and shall indicate the Defendant's name and case number.

5. Upon entry of this Consent Preliminary Order of Forfeiture as to Specific Property/Money Judgment, and pursuant to Title 21, United States Code, Section 853, United States Customs and Border Protection, or its designee the Office of Fines, Penalties, and Forfeitures shall be authorized to deposit the payment on the Money Judgment in the Treasury Assets Forfeiture Fund, and the United States shall have clear title to such forfeited property

6. Upon entry of this Consent Preliminary Order of Forfeiture as to Specific Property/Money Judgment, the United States Customs and Border Protection, or its designee the Office of Fines, Penalties, and Forfeiture, is hereby authorized to take possession of the Specific Property and to hold such property in its secure custody and control.

7. Pursuant to Title 21, United States Code, Section 853(n)(1), Rule 32.2(b)(6) of the Federal Rules of Criminal Procedure, and Rules G(4)(a)(iv)(C) and G(5)(a)(ii) of the Supplemental Rules for Certain Admiralty and Maritime Claims and Asset Forfeiture Actions, the United States is permitted to publish forfeiture notices on the government internet site, www.forfeiture.gov. This site incorporates the forfeiture notices that have been traditionally published in newspapers. The United States forthwith shall publish the internet ad for at least thirty (30) consecutive days. Any person, other than the Defendant, claiming interest in the Specific Property must file a Petition within sixty (60) days from the first day of publication of the Notice

on this official government internet web site, or no later than thirty-five (35) days from the mailing of actual notice, whichever is earlier.

8. The published notice of forfeiture shall state that the petition (i) shall be for a hearing to adjudicate the validity of the petitioner's alleged interest in the Specific Property, (ii) shall be signed by the petitioner under penalty of perjury, and (iii) shall set forth the nature and extent of the petitioner's right, title or interest in the Specific Property, the time and circumstances of the petitioner's acquisition of the right, title and interest in the Specific Property, any additional facts supporting the petitioner's claim, and the relief sought, pursuant to Title 21, United States Code, Section 853(n).

9. Pursuant to 32.2 (b)(6)(A) of the Federal Rules of Criminal Procedure, the Government shall send notice to any person who reasonably appears to be a potential claimant with standing to contest the forfeiture in the ancillary proceeding.

10. Upon adjudication of all third-party interests, this Court will enter a Final Order of Forfeiture with respect to the Specific Property pursuant to Title 21, United States Code, Section 853(n), in which all interests will be addressed. All Specific Property forfeited to the United States under a Final Order of Forfeiture shall be applied towards the satisfaction of the Money Judgment.

11. Pursuant to 21 U.S.C. § 853(p), the United States is authorized to seek forfeiture of substitute assets of the Defendant up to the uncollected amount of the Money Judgment.

12. Pursuant to Rule 32.2(b)(3) of the Federal Rules of Criminal Procedure, the United States Attorney's Office is authorized to conduct any discovery needed to identify, locate

or dispose of forfeitable property, including depositions, interrogatories, requests for production of documents and the issuance of subpoenas.

13. The Court shall retain jurisdiction to enforce this Consent Preliminary Order of Forfeiture as to Specific Property/Money Judgment, and to amend it as necessary, pursuant to Rule 32.2 of the Federal Rules of Criminal Procedure.

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14. The signature page of this Consent Preliminary Order of Forfeiture as to Specific Property/Money Judgment may be executed in one or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.

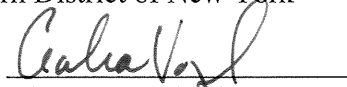
AGREED AND CONSENTED TO:

DAMIAN WILLIAMS

United States Attorney

Southern District of New York

By:



Kiersten A. Fletcher

Cecilia E. Vogel

Samuel Raymond

Assistant U.S. Attorneys

One St. Andrew's Plaza

New York, New York 10007

Tel. No. (212) 637-2238/1084/6519

3/1/23
DATE

SCOTT HUGHES

By:



SCOTT HUGHES

3/2/23
DATE

By:



Michael Hueston, Esq.

Attorney for Defendant

16 Court Street, 35th Floor

Brooklyn, New York 11241

3/2/23
DATE

Gilbert Bayonne, Esq.

Attorney for Defendant

1850 Amsterdam Ave.

New York, NY 10031

SO ORDERED:


HONORABLE GEORGE B. DANIELS
UNITED STATES DISTRICT JUDGE

MAR 02 2023

DATE